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SPAIN: Economic Agreement

A national economic accord reached late last week among representatives of the Spanish Government, employers, and major labor unions will strengthen the government's standing with the public. By pushing through this pact, which aims at stimulating employment and establishes modest wage increases for next year, Prime Minister Calvo Sotelo has demonstrated his determination to tackle longneglected economic problems, displaying aggressive leadership in the economic sphere that contrasts with that of the previous government. The willingness of all sides--including the Communist-dominated Workers' Commissions -- to make concessions probably reflects concern about restiveness in the military. Although the pact responds to a key concern of the military by demonstrating that left and right can still cooperate, it is likely to do little to reduce military misgivings over political stability and internal security.

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